

**New York Life Insurance Company**  
**Dec 30, 2019****SERFF #s:** NWLT-131979690**Filing Summary:**

New York Life Insurance Company requested a 51.5% average rate increase on the following LTC forms: ILTC-5000, INH-5000, FLTC-5000, and FNH-5000. The policies were issued in PA from Sept 2003 through May 2012.

The aggregate increase is 51.5% but the request is somewhat complicated and varies by both a policyholder's issue age and attained age. The request is summarized in the table below.

Rating Group	Number of Policies	Requested Increase
Issue age under 61 and attained age under 69	1,043	80%
Issue age under 61 and attained age 69 to 73	266	45%
Issue age under 61 and attained age 74 and above	36	0%
Issue age 61 or older and attained age under 74	102	45%
Issue age 61 or older and attained age 74 and above	272	0%
	1,719	

The Department approved the following:

1. For policyholders scheduled to receive an 80% increase, we authorized three increases of 21.64%, each increase to be implemented no sooner than one year apart. These three increases will compound to 80%.
2. For policyholders scheduled to receive a 45% increase, we authorized two increases of 20.42%, each increase to be implemented no sooner than one year apart. These two increases will compound to 45%.

Further, the company will issue each policyholder in this block an endorsement that will make their policies non-cancelable. In other words, after this increase, the company will seek no additional increases on this block in the future.

**Effective date of rate change:** Renewals on and after 12/30/2019.

The current policies in place are not generating sufficient premium to pay future claims to policyholders. This is a common problem for a number of insurers nationwide because policyholders are keeping their policies longer than expected and are living longer than projected. As a result, policyholders are using more benefits on average than the company anticipated when the policies were originally sold. This means the company has to pay out more for benefits than it originally projected.

In making this decision, the Department considered the projected loss ratio for each block of policy forms, that is, the projected total amount of benefits paid out versus the total amount of premium collected, the reasonableness of the assumptions the company used in its projections, and the company's financial situation. The Department also considered the financial impact this rate increase would pose to consumers, the past rate increases policyholders have faced, and the availability of options to limit the rate increase by reducing benefits.

The company is offering ways for policyholders to limit the rate increase by reducing benefits. The company will let you know your options when they contact you directly about this premium increase.



## **Long-Term Care Insurance Rate Decision**

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This Rate Filing Decision Summary is a tool to help explain the rate filing and does not describe all the factors considered as part of the Department's rate review.